

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5494**

1. Opening of Meeting:

The Appeals Board convened at 10:30 p.m., May 13, 2008 in Sacramento, with Chair Rick Rice presiding.

2. Roll Call: Members

Present

Absent

Rick Rice, Chair
Fred Aguiar, Vice Chair
Ann Richardson
Terri Carbaugh
Liz Figueroa
Cindy Montañez
Stephen Egan

X
X
X
X
X
X

X

3. Approval of the Minutes:

The April 8, 2008 minutes were approved by all members, except Vice Chair Aguiar who was not present at the April Board Meeting, and Member Carbaugh who was not present when they were considered.

4. Chair's Report:

Chair Rice reported that the ALJ II exams had been completed. He expressed his gratitude to the Board Members who participated.

Chair Rice introduced Sal Canella, former Board Member, who was present in the audience. He stated that Mr. Canella was present to attend a meeting that afternoon to discuss identification issues. Mr. Canella has implemented a plan at the Fresno office that speeds up the process in identification cases, and they are considering expansion of that process statewide.

Chair Rice reported that Hugh Harrison participated with DOL in the Quality Review process in D.C. The Agency received a complementary letter from the DOL thanking CUIAB for allowing Mr. Harrison to participate.

Chair Rice reported that staff has been working diligently on the budget. The Governors Office will be releasing the May Revise tomorrow. The news will not be good but Chair Rice believes the Agency can make things work. Also, the fiscal news from Washington D.C. is not good either, so it will be belt-tightening time.

5. Board Member Reports:

Member Richardson reported that she participated in the ALJ II interviews, and extended her complements to the staff and participants. She expressed her appreciation for the opportunity to participate and stated it was a very positive experience.

Member Richardson also reported that she had been training to hear cases in the field, and the training has made her more fully appreciate the intensive nature of the work our judges perform. She expressed her appreciation to the field judges for all of their hard work.

Member Montañez thanked the Chair for extending the invitation to the Board Members to participate in the ALJ II interviews. She found the interviews very worthwhile and encouraging. She stated that in her observation there is much respect for Tim McArdle and Ingrid Azvedo, and that reflected on how connected the field offices are to Sacramento as a team. She encouraged other Board Members to participate on the panels if the opportunity arises in the future.

6. Chief Administrative Law Judge/Executive Director's Report:

Executive Director/Chief Administrative Law Judge Jay Arcellana echoed the comments of Member Montañez and expressed his appreciation to Tim McArdle and Ingrid Azvedo for a wonderful job. He thanked the Board Members, and in particular Member Egan who participated on two panels, for their participation.

Chief ALJ/Executive Director Arcellana reported that Stephen Angelides is being loaned to the Division of Workers Compensation Appeals Board (DWCAB). DWCAB is engaged on a paperless project which they hope to complete by mid-August. DWCAB requested Steve's services for the balance of the project because of his background with both Workers' Compensation and in software and automation. They are hoping to go to a calendar process that is completely paperless, where parties would go online for scheduling. CUIAB should be able to benefit from their experience.

Chair Rice commented that ultimately Mr. Angelides will bring back to CUIAB much knowledge taken from his work on the paperless project. Chair Rice worked with Mr. Angelides previously at the DWCAB, particularly on reforms under Governor Wilson.

Chief ALJ/Executive Director Arcellana reported that the Department of Finance has approved the relocation of the San Jose Office of Appeals. Currently, the Agency is in a lease extension through the end of the year. The current landlord has increased the monthly rent by \$25,000.

Chief ALJ/Executive Director Arcellana also reported that he made three field visits, to Los Angeles, Orange County and San Diego. He stated that morale is

high at all locations, and the ALJs and the support staff are working hard with the increase of cases.

Chief ALJ/Executive Director Arcellana reported that Stella Fajardo is the new Supervisor at the Oxnard Office of Appeals, and that the LSSII meeting will be held the first week of June to discuss operational issues, primarily time lapse.

Chief ALJ/Executive Director Arcellana reported that Hugh Harrison was absent due to his work on a validation project. Every three years the DOL requires that the States, through a sampling of files and folders, validate the entire contents of that file. It is a time-consuming process that includes FO and AO.

7. Branch Reports:

a. Executive Director/Chief Administrative Law Judge Jay Arcellana reported on the workload as detailed in a handout. (Attachment A) The handout gives a snapshot of the year's workload and registrations from April 2007 through April 2008. Registrations continue to grow, with March and April the two highest months ever experienced by the Agency. Over the past 12 months, compared to last year, registrations have averaged 3,000 more cases per month. When the Agency went about constructing a workload reduction plan, projections were for a 5% increase, but the Agency is experiencing a 16% increase in workload.

Chief ALJ/Executive Director Arcellana reported registrations averaged 22,760 and dispositions averaged 21,583. At 29,555 March was the largest month for dispositions in the history of the Agency. Dispositions are averaging 4400 more cases per month compared to last year. The time lapse figures for 45 and 90 days are improving, and we are close to meeting the 90-day time lapse. The incremental changes in terms of time lapse will begin with the oldest cases first. Case age was 34 days for April, the average is 30 days. We have taken the following steps to deal with the workload: the ALJs' case load has been increased by 2 cases, the PALJs are now hearing one calendar per week, 16 new judges have been hired, overtime has been authorized for support staff, and every field office is hearing at least 2 mass calendars per month.

Chief ALJ/Executive Director Arcellana reported that registrations in disability cases increased somewhat, but have held fairly consistent for the entire year. Tax cases are staying fairly steady but are behind in some dispositions, but most of that is because of the way the tax system works. Tax cases take longer to liquidate, and the Agency has redirected resources into the UI program.

Chief ALJ/Executive Director Arcellana stated that the open case balance has dropped off and the inventory is being driven down. With the exception of a couple of months, dispositions have exceeded registrations.

Member Richardson thanked Chief ALJ/Executive Director Arcellana for providing the Board with the year-end snapshot workload handout which shows the ebbs

and flows and the trends in registrations and dispositions. She referenced April a year ago, noting there were 17,000 dispositions, whereas this April there were 25,899 dispositions, asking what, if any, staffing changes were made to accomplish that result.

Chief ALJ/Executive Director Arcellana replied that it was a combination of factors. The Agency increased ALJ hires, picking up 13 new judges since the beginning of the year. The case load was increased in January, PALJs are now hearing calendars; but primarily it has been the use of mass calendars. All the offices are conducting at least 2 mass calendars per month. In addition, the Agency has created some efficiencies in liquidating identity cases quickly, without the need for hearing when it is determined that there is no eligibility issue.

Chair Rice commented that he met with EDD, and in terms of workload the EDD call center used to receive 11,000 calls per day and now they are receiving 22,000 calls per day. EDD is implementing new procedures that should decrease the number of ID cases going to CUIAB.

Chief ALJ/Executive Director Arcellana concurred with Chair Rice and stated the only difference is it will help from the perspective that CUIAB will not have to take as many of the ID cases to hearing.

b. Jehan Flagg, Special Assistant, Communications and Internal Affairs, reported that the Bureau of State Audits has begun their review of CUIAB. She met with BSA on April 23 during which the auditors outlined the scope and objectives, as based on the letter sent to the Joint Legislative Audit Committee. Essentially, the BSA will review CUIAB's hiring, procurement and administration practices. BSA auditors approach their job in three phases: Phase one, also called the scoping phase, is the information gathering stage, and it is essentially completed. Phase two is the field work. It includes reviewing everything they have compiled, verifying information, and testing data to ensure things are consistent. If the BSA has any questions they will be asked at that point. Phase two will last until approximately the end of July. Phase three begins immediately thereafter and consists primarily of writing the report. They estimate completion of the report around the end of September or the beginning of October.

c. Chief ALJ, Appellate Operations. Bill Roehr reported that AO was 10 days better than the federal performance standard of 40 days. AO's case average for April was 30 days. There were 1,573 registrations in April, a 17% increase over fiscal year average. AO disposed of 1,598 appeals, which was 19% over the fiscal year average of 1,339.

Chief ALJ Roehr reported that AO met time lapse in all three categories, 45 days, 75 days and 150 days. The federal standard percentages are 50, 80, and 95 respectively, whereas AO's performance was 52, 83, and 100 respectively.

Chief ALJ Roehr reported the completion of revisions to the Board paragraphs and forms, reflecting revisions to Findings of Fact and other decision formatting. Finally, Chief ALJ Roehr reported that Cindy Parker, ALJ II, who has been on 75% reduced time, has returned to fulltime work effective May 1, 2008.

d. Deputy Director, Administrative Services Branch, Pam Boston reported that the ALJ II exam had been completed. They are currently working on the following exams: Associate Business Management Analyst with a final filing date of May 22; Business Services Officer I exam with a final filing date of May 15; Executive Secretary II exam with a final filing date of April 23; and a LSS I spot exam for Oakland with a final filing date of April 30.

Deputy Director Boston also reported that Business Services will be conducting the annual physical inventory of equipment and furniture. The projected beginning date is early July, and the inventory will involve a pre-meeting with all Cost Center Managers, the actual physical inventory of, the reconciliation and a final report. The goal is to establish accountability and verification of the Agency's assets, physical presence, its location and its condition. The complete inventory schedule will be posted on the Bench by the end of the month.

e. Deputy Director, Planning and Program Management Branch Mary Walton-Simons reported on the following P&PM Branch items:

The Budget Advisory Committee met on April 29 through May 1st to discuss the current and proposed Budget Call Letters and current and future budget issues. Branch representatives were given assignments to be completed prior to the next BAC on May 27-29th. It will be quite a challenge to get this budget balanced.

P&PM Branch continues to weekly monitor the workload in each of the Appeals Offices and provide office-by-office, to the respective PJs and LSSs, data on backlogged decisions, the status is of registrations, and projections on work that may be coming from EDD, called the In Route Report. P&PM Branch continues to redirect staff resources to assist the Field Operations based on this data. This assistance is a temporary stop-gap measure until the targeted offices with backlogs complete their hires of new support staff.

A memo was released under the Chair's signature announcing the Statewide Language Survey. The State Personnel Board requires all departments to conduct this biannual survey of employees in public contact positions. This year's survey will cover two non-consecutive weeks: May 19-23rd and June 9-13th. The data is all submitted to the State Personnel Board.

Budget Letter 05-08 requires all state agencies to classify records as Public, Confidential or Sensitive. CUIAB completed an inventory in 2006 containing over 1,000 entries in the database. Also State Records Management Act (GC 14740-14768) and the State Administrative Manual (Chapter 1600) require agencies to conduct an inventory of all records. Staff of the P&PM Branch created a records

inventory database based on all the information sent from the cost centers. There were a total of 1,330 data entries in this inventory. This data needs to be periodically updated.

Member Richardson asked if P&PM staff is being redirected to help with dispositions in the field, and how much staff is being redirected. Deputy Director Walton-Simons responded that the employees actually log in the amount of time they are working and what was being worked on. She stated that it was probably the equivalent of ten bodies of 22 staff.

8. Chief Counsel's Report:

Chief Counsel Hilton reported that the Board received three new litigation cases last month. He stated that one of the cases appeared to be a Tax case that was filed prematurely. Two cases were closed, and in both cases the Board was affirmed.

9. Unfinished & New Business:

There was no unfinished or new business.

10. Public Comment:

There was no public comment.

11. Closed Session:

The Board went into closed session. No votes were reported.

Adjournment

FIELD OPERATIONS WORKLOAD REPORT

APRIL 2007 THROUGH APRIL 2008

	2007												2008			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Average		
UI																
Registrations	20,455	23,574	21,662	21,875	22,926	20,655	24,172	21,126	19,974	24,049	20,982	25,443	28,984	22,760		
Dispositions	17,096	21,363	17,145	23,939	21,088	18,509	23,147	19,205	19,727	21,005	22,903	29,555	25,899	21,583		
Open Cases	28,265	30,459	34,970	32,812	34,575	36,645	37,554	39,427	39,618	42,602	40,635	36,437	39,418	36,417		

TIME LAPSE																
30 Days (60%)	7	6	6	5	5	4	4	5	4	3	3	4	8			
45 Days (80%)	39	30	28	18	19	16	13	14	11	9	11	18	26			
90 Days (95%)	99	98	97	95	95	91	89	89	87	79	77	81	93			

UI CASE AGE																
30 Days Avg.	32	32	36	35	35	39	37	39	43	44	43	35	34			

FIELD OPERATIONS WORKLOAD REPORT

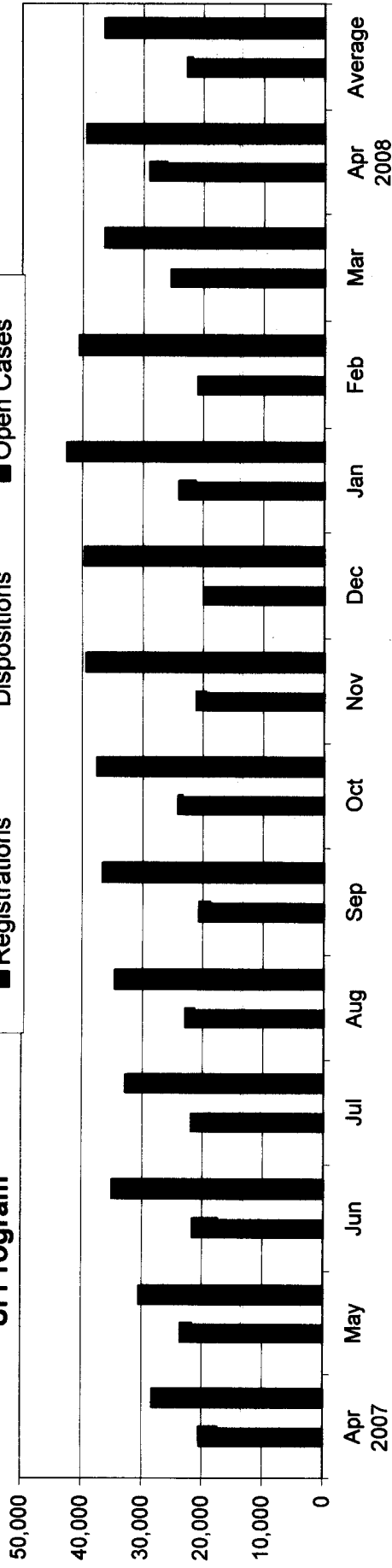
APRIL 2007 THROUGH APRIL 2008

	2007												2008			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Average		
DI																
Registrations	1,599	1,720	1,715	1,526	2,065	1,536	1,504	1,522	1,347	1,481	1,470	1,661	1,887	1,618		
Dispositions	1,674	1,694	1,276	1,686	1,799	1,505	1,661	1,320	1,179	1,579	1,477	1,506	1,368	1,517		
Open Cases	1,888	1,915	2,353	2,193	2,455	2,486	2,325	2,527	2,693	2,590	2,586	2,738	3,257	2,462		

OTHER																
Registrations	551	350	547	810	590	238	279	322	480	408	641	598	666	498		
Dispositions	652	705	560	427	381	453	281	336	204	378	559	316	267	425		
Open Cases	5,266	4,913	4,899	5,276	5,490	5,260	5,253	5,238	5,513	5,543	5,630	5,910	6,310	5,423		

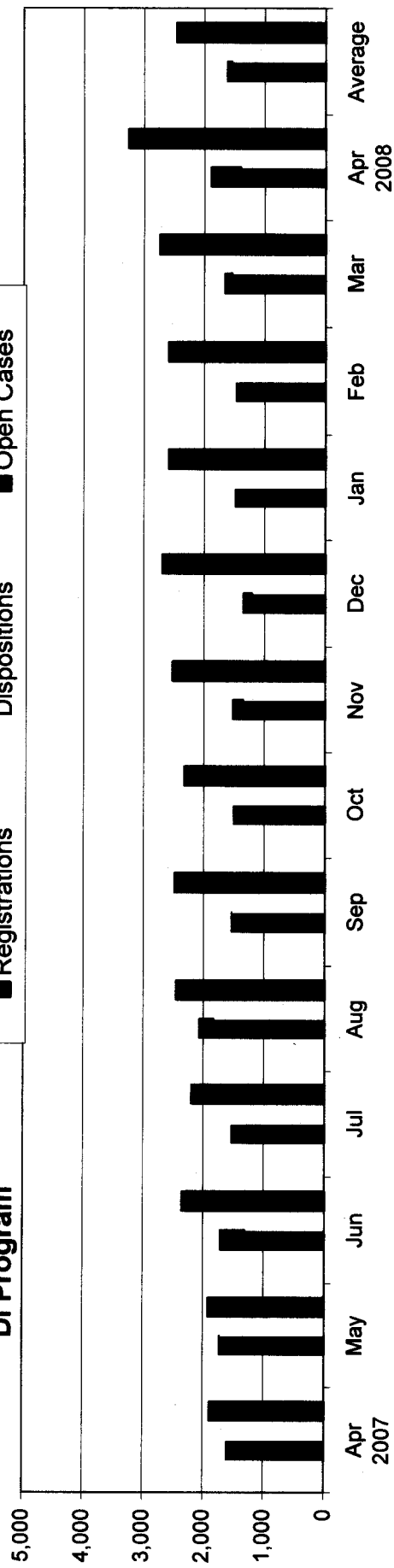
UI Program

■ Registrations ■ Dispositions ■ Open Cases



DI Program

■ Registrations ■ Dispositions ■ Open Cases



OTHER Programs

■ Registrations ■ Dispositions ■ Open Cases

